Loss of revenue due to waiving of Import Duty

928. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether a substantial loss of revenue has been incurred because of waiving of import duty on goods on which Modvat benefits had been claimed earlier;

(b) if the answer to (a) is in the affirmative, whether the revenue loss is on account of procedural loop-holes or because of criminal propensities on the part of individual importers; and

(c) the action proposed to be taken to prevent the recurrence of such losses?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): (a) and (b) Exporters cannot claim Modvat benefits if they export under the Value Based Advance Licencing Scheme. Some exporters availing this scheme had declared that they had not availed Modvat and availed the benefits of the scheme. When this came to the notice of the Customs Houses, action have been taken to issue show-cause cum demand notices. However, many exporters have reversed the Modvat subsequently and represented to Government to condone the lapse. The notional revenue loss is due to extension of the concession based on the declaration of the exporters.

(c) The Central Excise documents (Form A.R. 4) under which exports are made have been redesigned to provide the information about the availment or otherwise of the Modvat benefit to the. Customs officers for checking the documents/consignment at the time of export. In respect of past cases,Customs Houses have initiated action to issue show cause notices as already stated at (a) and (b) above. Further, additional customs duty had been levied in respect of advance licences issued on or after 1.4.95 so that exporters can freely avail the Modvat in such cases.

Power Projects in Gujarat

929. SHRIMATI ANANDIBEN JATHABHAI PATEL: Will the Minister of POWER be pleased to state:

(a) the power plants presently under execution in Gujarat in public/private sector and the progress achieved in each of them during 1994-95;

(b) what are the projects/proposals forwarded by the State Government for clearance by the Central Electricity Authority and present status of these projects/proposals, project-wise;

(c) the details of funds sanctioned/released by the Central Electricity Authority for the projects under execution during 1994-95 and provision of funds made for 1995-96 for the projects to be executed, project-wise *vis-a-vis* demand made by the State Government; and

(d) what is the status of projects funded by foreign institution/World Bank/foreign investors and the status of the projects under negotiation for foreign investment in that State?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA BEN CHIMNBHAI PATEL): (a) The following power projects are